

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	ORDER NO. D05-366
WESTPORT INSURANCE)	
CORPORATION,)	CONSENT ORDER
)	IMPOSING A FINE
An Authorized Insurer)	
_____)	_____

FINDINGS OF FACT:

1. Westport Insurance Corporation ("Westport") is authorized to transact insurance business in the State of Washington.
2. In March of 2005, Westport discovered that it had been writing equipment breakdown insurance in this state using rates that had been disapproved by the Office of the Insurance Commissioner (OIC). Westport immediately stopped writing this coverage, reported what had happened to the OIC, and promptly submitted a new rate filing to the OIC.
3. Beginning in 2002 through March, 2005, Westport had written 157 new and renewal policies for this equipment breakdown insurance, using unapproved rates, with premiums totaling over \$350,000.
4. Also in March of 2005, Westport discovered that due to a computer programming error, one of its managing general underwriters had been using incorrect rates for business owners' policies. Again, Westport promptly reported what had happened to the OIC and cooperated in correcting the error.

CONCLUSIONS OF LAW:

1. By issuing equipment breakdown policies in Washington more than 30 days before it filed the rates it charged for those policies, and by issuing such policies using rates which had been disapproved by the OIC, Westport violated RCW 48.19.043.

2. By issuing business owners policies in Washington using rates that were not in accordance with its filing then in effect, Westport violated RCW 48.19.040(6).

CONSENT TO ORDER:

Westport wishes to resolve this matter without further administrative or judicial proceedings at this time. Westport consents to the entry of this order, which imposes a fine in the amount of \$10,000 and agrees to pay that fine within thirty days of the entry of this order. Westport acknowledges its duty to comply with all applicable statutes and regulations of the State of Washington.

WESTPORT INSURANCE CORPORATION

Signature _____

Printed Name _____

Printed Title _____

EXECUTED AND AGREED THIS 5th day of August, 2005.

ORDER:

Pursuant to RCW 48.05.185 and based on the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders Westport Insurance Corporation to pay a fine in the amount of Ten Thousand Dollars (\$10,000), within thirty days of the date this Consent Order is entered. Failure to pay the fine in full within that time will constitute grounds for the suspension or revocation of Westport's certificate of authority in the State of Washington. It will also result in a civil action being brought by the Washington State Attorney General on behalf of the Insurance Commissioner, for recovery of the entire amount of the fine.

Entered at Tumwater, Washington, this 11th day of August, 2005.

MIKE KREIDLER
Insurance Commissioner

By: William Kirby

Legal Affairs Division